

Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

DOT-00 INR-11 NSAE-00 RSC-01 FAA-00 L-03 H-03 IO-14

OMB-01 TRSE-00 PA-04 USIA-15 PRS-01 SP-03 EUR-25

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FM AMEMBASSY NASSAU

TO SECSTATE WASHDC PRIORITY 5927

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E. O. 11652: N/A

TAGS: ETRN BF

SUBJ: CIVAIR: FREE AND REDUCED RATE TRANSPORTATION

REF: NASSAU 1495

1. BASIL ATKINSON, GCOB DIRECTOR OF TOURISM, HAS FORWARDED EMBOFF COPY OF LETTER OBJECTING TO CAB RULING LIMITING SUBJECT TRANSPORTATION TO 500 PERSONS A YEAR. LETTER (COPY POUCHED ARA/CAR) ADDRESSED TO JAMES W. GREENE, CHIEF, TARIFFS SECTION, CAB. COVERING LETTER TO EMBOFF STATES THAT BAHAMIAN AMBASSADOR JOHNSON WILL ALSO RAISE MATTER WITH DEPARTMENT

2. ATKINSON-GREENE LETTER STATES THAT FORMER, "ON BEHALF OF GCOB", EXPRESSES "STRONG OBJECTION" TO CAB RULING "WHICH WILL BE SEVERELY DAMAGING NOT ONLY TO THE BAHAMAS, BUT ALSO TO THE CARRIERS SERVING THIS COUNTRY." ATKINSON SAYS THAT IF RESTRICTION IS NECESSARY AT ALL "THERE ARE COMPELLING REASONS WHY THE BAHAMAS SHOULD BE GRANTED AT LEAST DOUBLE THE QUOTA OF 500 PRESCRIBED."

3. ATKINSON GIVES FOLLOWING REASONS WHY QUOTA SHOULD BE RE-

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VISED UPWARDS: (A) BAHAMIAN ECONOMY'S "VIRTUALLY TOTAL" DE-

PENDENCE ON TOURISM, 80 PERCENT OF WHICH COMES FROM U.S., A FAR GREATER DEPENDENCE THAN EXISTS IN EITHER UK OR JAPAN, THE OTHER TWO NATIONS WHICH GOT MAXIMUM 500 QUOTA, AND GREATER THAN ANY COUNTRY IN WORLD "EXCEPT FOR BERMUDA"; (B) CLOSE TIE-IN BETWEEN US AND BAHAMIAN ECONOMIES, REFLECTED IN FACT THAT AT LEAST 80 PER CENT OF US TOURIST DOLLARS SPENT IN BAHAMAS IS REPATRIATED TO U.S.; (C) FACT THAT GCOB SPENDS OVER \$5 MILLION ANNUALLY IN THE US ON TOURISM PROMOTION; (D) MAJORITY OF AIR TRAFFIC BETWEEN U.S. AND BAHAMAS IS BY US CARRIERS, AND FREE OR REDUCED RATES FOR TRAVEL AGENTS, ETC. BENEFITS CARRIERS AS MUCH AS GCOB MINISTRY OF TOURISM; (E) ABOUT 80 PER CENT OF TOURISTS IN BAHAMAS HAVE USED TRAVEL AGENTS; (F) RECENT HARRIS POLL SHOWED US TRAVEL AGENTS HAVE NEGATIVE IMPRESSION OF BAHAMAS AND ONLY WAY TO CORRECT THIS IS TO BRING THEM HERE TO SEE FOR THEMSELVES THAT BAHAMAS IS DESIRABLE VACATION SPOT.

4. ATKINSON ARGUES THAT "IN MANY RESPECTS, AMERICANS REGARD THE BAHAMAS NOT AS A FOREIGN COUNTRY BUT AS CONTIGUOUS TO THE UNITED STATES...WE WOULD HOPE THAT (CAB) MIGHT ALSO TAKE ACCOUNT OF THIS SPECIAL POSITION AND RELATIONSHIP." HE NOTES THAT CARIBBEAN HOTEL ASSOCIATION PLANS TO SCHEDULE ITS ANNUAL CONVENTION IN NASSAU IN JUNE 1975, WHICH ALONE SHOULD ATTRACT 500 TRAVEL AGENTS, AND THAT THE GCOB WOULD HOPE TO TAKE THAT OPPORTUNITY TO FAMILIARIZE THEM, USING REDUCED RATE TRANSPORTATION, WITH OTHER BAHAMIAN TOURIST ATTRACTIONS. HE ALSO POINTS OUT THAT REDUCED RATE FAMILIARIZATION VISITS ARE "NORMALLY" SCHEDULED DURING OFF-PEAK MONTHS AND ON DAYS THAT WOULD NOT AFFECT NORMAL TOURIST TRAFFIC.

5. ATKINSON CONCLUDES BY SUGGESTING THAT "IT WOULD NOT BE IN THE BEST INTEREST OF EITHER COUNTRY OR OF ANY AIR CARRIER FOR THE (500 QUOTA) TO BE IMPOSED." HE ASKS CAB TO "GIVE FAVORABLE CONSIDERATION TO A SPECIAL REVIEW OF THIS COUNTRY'S RATHER UNIQUE POSITION."

6. COMMENT: EMBASSY FINDS ATKINSON'S ARGUMENTS PERSUASIVE AND HOPES THAT DEPARTMENT WILL CONCUR IN SUGGESTING THAT CAB REVIEW ITS RULING INsofar AS IT AFFECTS THE BAHAMAS.

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